

MINUTES

TENNESSEE BOARD OF REGENTS FACULTY SUB-COUNCIL

January 9, 2009

Present	Voting Representatives	Institution
X	Kay Haralson	APSU
X	Nathan Garner, Chair	CISCC
X	Karen Siska, Chair-Elect	CoSCC
X	Mitchell Rhea	CSTCC
X	William Northcutt	DSCC
X	James Bitter	ETSU
X	John Koons	JSCC
X	Janice Harder, Secretary	MSCC
X	Larry Burris	MTSU
X	Howard Doty	NaSTCC
X	Eric Fish	NoSTCC
X	Dave Vinson	PSTCC
X	Sam Comer	TSU
X	Gretta Stanger	TTU
X	Jeffrey Berman	UM
X	Robert Moon	VSCC
	Janice Donahue	WSCC
X	Bruce Fisher	RSCC
X	Clark McKinney	STCC
	Nonvoting Representative/TBR Staff	
X	Jane Asamani	RODP/TSU
X	Robbie Kendall-Melton, Associate Vice Chancellor for Academic Affairs	TBR
X	Paula Myrick Short, Vice Chancellor for Academic Affairs	TBR
X	Bob Adams, Vice Chancellor for Business and Finance	TBR
X	Kay Clark, Associate Vice Chancellor for Academic Affairs	TBR
	Pamela Knox, Associate Vice Chancellor for Academic Affairs	TBR
	Treva Berryman, Associate Vice Chancellor for Academic Affairs	TBR
X	Randy Schulte, Assistant Vice Chancellor for Academic Affairs	TBR
	Debbie Johnson, Assistant Vice Chancellor for Human Resources	TBR
X	Tom Danford, Chief Information Officer	TBR
	Ron Ostenfeld, Director of Employee Benefits	TBR
X	George Malo, Associate Vice Chancellor for Research and Assessment	TBR

Visitors

Ron Simmons (Finance), Chris Modisher, Lynn Goodman (TTCs), Kayla Hockett (Intern), Sonya Mason, Ed Stevens (Faculty Regent, UM professor)

Call to Order

Chair Nathan Garner called the meeting to order at 8:30 a.m. in the ABC Conference Room.

Comments from Chancellor Charles Manning

Chancellor Charles Manning announced the resignation of Bob Adams as Vice Chancellor for Business and Finance. Adams and Ron Simmons, Assistant Vice Chancellor for Business and Finance, distributed and reported on a handout of financial information. The financial information included the following:

1. Page 1: Chart of tuition/fees and state appropriations (adjusted for inflation using the HEPI) for four-year institutions from 1987-88 through 2008-09. TBR has about as much to spend today as 20 years ago; the difference is that students pay a bigger portion. The red line in the chart represents state appropriations which have steadily decreased; the blue line represents student fees for a four-year university which have steadily increased.
2. Page 2: TBR state appropriations for institutions, October 2008. The system had a 4.3% overall reduction in state appropriations from 2007-08 to 2008-09. The system had another 3.4% reduction in October 2008 for a total reduction of 7.7% from 2007-08. The additional 3.4% reduction was distributed somewhat equally among institutions since tuition policy had already already set.
3. Page 3: Unrestricted E & G Expenditures by Function, 2008-09. About 50% of all dollars go into instruction. The percentage has been about the same over the last 15 years.
4. Page 4: Unrestricted E & G Expenditures by Object, 2008-09. Since the system is based on personnel, from 70% to 75% is spent on personnel depending on institution.
5. Page 5: 2009-10 Preliminary State Appropriations, Tier 1 reductions, for academic formula units (both TBR and UT). Tier 1 is considered the best case scenario. Revenue of four-year TBR institutions would decrease by approximately 11.7%. Revenue of two-year TBR institutions would decrease by approximately 7.2%. Revenue of technology centers would decrease by approximately 4.4%.
6. Page 6: 2009-10 Preliminary State Appropriations, Tier 1 reductions, for specialized units.
7. Page 7: 2009-10 Preliminary State Appropriations, Tier 2 reductions, for academic formula units (both TBR and UT). Revenue of four-year TBR institutions would decrease by approximately 19.2%. Revenue of two-year TBR institutions would decrease by approximately 13.5%. Revenue of technology centers would decrease by approximately 9.2%.
8. Page 8: 2009-10 Preliminary State Appropriations, Tier 2 reductions, for specialized units.
9. Page 9: List of things we don't know that will impact final budget decisions.

Manning reported that Governor Bredesen has asked for a delay in presenting his budget; the Governor may delay as long as he can. Buyouts, program terminations, full-time and part-time conversions, 100% to 80% conversions are possible options.

The recommendation to add the possibility of employee furloughs to General Personnel Policy 5:01:01:00 was presented to the Board in December and was postponed for action until a special telephone meeting which will be held before January 15. Manning reported that an

employee furlough would be a campus-based program and requires the Chancellor's review and approval to implement.

In addressing the meaning of "severe" and "case by case" in the policy amendment, Manning used Tennessee State University's cutbacks and severe loss of enrollment as an example, Manning explained that one campus may have a severe financial situation while others do not. "Case by case" means "campus by campus." "Severe" is not quantitatively described and is not defined by the legislature. The system has experienced previous cutbacks and did not think about the concept of furloughs. On a percentage basis, a small school is in a much more serious situation.

When asked if the furlough would be more equitable if distributed on a sliding scale to have less impact on the lower wage earner, Manning reported that the decision to implement a furlough must involve more than the president and vice presidents; the decision should involve faculty and others in the decision making. The president has a responsibility to have an inclusive process while going through the entire budget reduction plan that might include an employee furlough.

When questioned about the use of the exigency policy as opposed to requesting an employee furlough, Manning reiterated that the best protection is a process; reduction plans must have gone through a process. Chris Modisher added that the exigency policy is one very particular set of situations that TBR is not ready to trigger. A reduction-in-force (RIF) plan involves terminating some employees. TBR staff will look at a RIF plan from a campus and give it legal review. TBR staff will do the same thing with a furlough plan. The plan will be reviewed legally before the Chancellor approves or disapproves. TBR will make sure the plan is not focusing on one group of employees, that the plan looks at the position, not the person. Modisher added that, as a general rule, furloughs do not save lots of money; they buy time in one fiscal year so people can remain employed.

Manning added that a furlough is a convenient way to save some money short term, but not long term.

When asked what role the faculty will play in making these furlough decisions, Manning said it would be very reasonable to have language saying there must be a process to involve others and requested language from the TBR Faculty Subcouncil.

When asked about the effect of furloughs on benefits, Manning reported that exploratory work is being done to assure that benefits will not be affected. Some change(s) in legislation will be necessary. The Governor's representative has indicated that the Governor would be willing to issue an executive order if necessary to protect employee benefits in case of a furlough.

Adams reported that the state retirement system has drafted a bill to carry to the legislature which could be presented in March. The system has drafted an executive order which the Governor could sign to protect retirement benefits. This same issue is being explored with state government as well. Adams doesn't believe the Chancellor would approve a furlough if this protection were not in place.

When asked if the state retirement board has any jurisdiction over TIAA-CREF, Adams reported that the contribution to state retirement would be what it would have been at the total salary approved prior to the furlough. TIAA-CREF would be 10% of the normal salary and would not require legislation. Legislation is required only for employees on the state retirement plan.

Manning assured the Subcouncil that a furlough plan would not be approved without such legislation. He added that financial exigency is more severe than where the system is at this time. He would not consider adding the furlough provision to the financial exigency policy. Campuses would prefer to have a furlough rather than dismiss employees.

When asked if the impact of the furlough could be spread over time so it would not impact a single payroll check, Manning answered that law requires that payroll reflect the time worked during that time period.

Manning reported that the paper presented as a New Business Model presented "ideas" to be considered. His view of the future is that the projected total support per FTE student will drop.

The meeting was recessed at 9:40 a.m. and resumed at 10 a.m.

Approval of Minutes of October 24, 2008 Meeting

James Bitter moved to approve the minutes of the October 24, 2008 meeting. Second by Karen Siska. Motion approved unanimously.

Response and Counterproposals to the Chancellor's "New Business Model"

Garner asked for any suggestions from the TBR Faculty Subcouncil as to the Chancellor's "New Business Model" presented in a November 20 memorandum to the TBR presidents. Garner reported that he had received at least ten responses from different schools.

Concern was expressed that the "model" was not presented to Faculty Subcouncil previously. However, Adams reported that the "model" is not a policy; it is only ideas. The focus is more on the strategic plan and how these ideas fit in that planning process.

Paula Short reported that the chief academic officers (CAOs) reviewed the document before Christmas and generated eight or nine ideas including revenue-generating ideas. She will ask the CAOs to share these ideas with the Faculty Subcouncil.

Members of the Subcouncil expressed the interpretation that the model was presented for "board action" based on the subject line, "Board Action on a New Business Model for Long Term Productivity Enhancement."

Since the November 20, 2008 memorandum (SUBJECT: Board Action on a New Business Model for Long Term Productivity Enhancement) from Chancellor Manning to the college presidents did not appear to follow generally accepted TBR approval procedures (reference the statement on Policy Changes or 1:03:04:00) and raised important academic issues, **Larry Burris moved that the TBR Faculty Subcouncil request that this memorandum be withdrawn. Second by Bitter. Motion approved unanimously.**

Short described the strategic planning process to be followed during the next eighteen months. The strategic plan will be presented to the TBR in 2010.

Ed Stevens, Faculty Regent, reported that it is incumbent on faculties at all institutions to come up with positive things that can happen that will convince the Governor there is another way to meet the financial crisis.

Institution representatives were encouraged to work with faculty councils/senates to address the budget reduction ideas and present them to the institution's president.

Amendment of General Personnel Policy on Employee Furlough

Bitter moved that the wording of the revision to General Personal Policy 5:01:00:00 be reworded as follows: Notwithstanding any other policy or agreement, given the current severe state budget shortfall and state impoundment, the Chancellor may give specific written authorization to presidents/directors upon their request to reduce compensation across the board for the remainder of the fiscal year, to mandate furloughs without pay, and/or reduce the amount of time to be worked on a case-by-case basis with the understanding that this subsection with regard to furloughs shall have a sunset date of June 30, 2012. Any such request submitted by a president/director shall include a letter of agreement or nonagreement from the institution's faculty senate/council. Second by Burris. Motion approved unanimously.

Report on Chancellor Search

A search firm has been hired to conduct the search for a new chancellor; the firm was given directions by TBR. The search firm has worked with a committee of five TBR members. The search firm will take applications and will bring names to that committee in February for review. Interviews are tentatively scheduled for March.

Howard Doty moved that the TBR Faculty Subcouncil recommend that the search committee be expanded to include effective individuals including faculty, students, campus administrators, legislators, or the community. Second by Bitter.

During discussion, Doty recommended adding the Faculty Regent, the Student Regent, and chairs of the Joint Presidents Council, TTC Directors Subcouncil, Academic Officers Subcouncil, Faculty Subcouncil, Business Affairs Subcouncil, IT Subcouncil, Student Affairs Subcouncil, and SGA Presidents Subcouncil.

Motion failed.

Bitter moved that chairs of the TBR subcouncils, faculty regent, student regent, the president currently representing four-year colleges, and the president currently representing community colleges be added to the search committee for Chancellor. Motion died for lack of a second.

Jeffrey Berman moved that the Faculty Regent and the Student Regent be added to the Chancellor search committee. Second by Gretta Stanger.

Bitter moved that the motion be amended to add the Faculty Subcouncil chair. Second by Doty.

After discussion, Doty withdrew the second. Therefore, the motion to amend died.

Motion to add the Faculty Regent and the Student Regent to the Chancellor search committee passed by vote of 13 to 1.

Chancellor's New Business Model

Bitter moved to approve the following guidelines and assumptions for all institutions to follow during the budget reversion process:

- **Quality of an education cannot be sacrificed merely to meet financial requirements.**
- **Quality of an education is directly related to the relationship formed between the faculty and the students.**
- **Quality online teaching requires more work, not less.**
- **Cost-saving proposals coming from member institutions should form the basis of the TBR cost-saving plan to address the current budget shortfall.**
- **Development of this overall plan should include best practices supported by research.**

Second by Bruce Fisher. Motion approved with one abstention.

TAF

Berman will e-mail members and request information about structure of TAF committees and procedures for decisions on spending.

Bereavement Policy

The TBR Faculty Subcouncil subcommittee to review the bereavement policy (Bitter, Robert Moon, and Kay Haralson) will report at the April 2009 meeting.

Tuition

Haralson moved that the TBR Faculty Subcouncil recommend that all possible avenues be explored leading to legislation that would allow the Hope Lottery Scholarship and TSAC to be awarded on a per-credit-hour basis rather than a flat amount for full-time students. Second by Bitter. Motion approved unanimously.

Adjournment

The meeting was adjourned at 2:20 p.m.

Submitted: Janice Harder, TBR Faculty Subcouncil Secretary